

Central Intelligence Agency



Washington, D.C. 20505

OLL85-3566/1

21 NOV 1985

Mr. James M. Frey
Assistant Director for Legislative
Reference
Office of Management and Budget
Washington, D.C. 20503

Dear Mr. ^{Jim} Frey:

Enclosed for OMB's review and approval is a draft letter to Representative Stump, Ranking Minority Member of the House Permanent Select Committee on Intelligence, responding to his request for the Administration's views on the Central Intelligence Agency (CIA) retirement related provisions of H.R. 2672. With one exception relating to the limited election provided Agency "Civil Service" employees hired after 31 December 1983, the letter states that the Administration has no objection to the provisions of H.R. 2672 as they relate to CIA employees.

Given the fact that House and Senate staffers are already meeting to discuss the upcoming Conference on this bill, we would appreciate expeditious OMB review and approval of the attached letter.

Sincerely,



Charles A. Briggs
Director, Office of Legislative Liaison

Enclosure

Distribution:

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Central Intelligence Agency



Washington, D.C. 20505

The Honorable Bob Stump
Permanent Select Committee on Intelligence
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Stump:

This letter is in response to your request for the Administration's written views on the CIA retirement related provisions of HR 2672, including the Eagleton and Durenberger amendments. Our response has been cleared with the Office of Management and Budget.

The Administration recognizes that there are unique management requirements associated with the Agency and agrees that we have a special case to make for our employees. The Administration's original intent was to remain silent on the specific retirement needs of the Agency while the larger Government-wide retirement reform was reviewed. Unfortunately, the intensity of the retirement issue and the events in the Senate changed that position and while the Administration would have preferred to wait until next year, they have no objection to the provisions of HR 2672 as they relate to CIA employees.

I must, however, draw your attention to the fact that a technical amendment to HR 2672 is necessary. Specifically, this amendment must correct the fact that under HR 2672 employees in the Agency covered by Civil Service retirement, and hired after 31 December 1983, are not provided the opportunity to select Option B under HR 2672. Option B provides for an additional 1.3% employee contribution in order to permit retirement at age 55 without a reduction in annuity. Without an amendment to HR 2672, these Agency employees would not be provided the same choices as all other Civil Service participants. The Administration supports this amendment.

I trust our response will be helpful to you in your attention to this important piece of legislation. If we can be of any assistance to you or your staff related to the impact of

any provisions of HR 2672, we are available to assist you. Please do not hesitate to call on us. As you know, I am deeply committed to ensuring that the Agency's mission is not adversely affected by the provisions of retirement systems enacted for CIA employees.

Sincerely,

John N. Mc Mahon
Acting Director of Central Intelligence

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Executive Registry

85- 4465

LEGISLATIVE LIAISON

85-3566

November 14, 1985

Honorable William J. Casey
Director of Central Intelligence
Washington, D.C. 20505

Dear Director Casey:

As you know, the House and Senate may soon reach conference on H.R. 2672, which, as amended by the Senate, contains a number of provisions specifically addressing the retirement systems applicable to Central Intelligence Agency employees, referred to as the Eagleton-Durenberger Amendment. The House Permanent Select Committee on Intelligence is expected to have a significant role in shaping the outcome of the conference with respect to these provisions.

I would appreciate receiving, as soon as possible, the Administration's written views on the CIA retirement-related provisions of H.R. 2672 as passed by the Senate.

Sincerely,


BOB STUMP
Ranking Minority Member